

ASSEMBLY BILL

No. 2806

**Introduced by Assembly Member Wilk
(Coauthor: Assembly Member Dababneh)**

February 19, 2016

An act to add Section 35401.5 to the Education Code, relating to school districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2806, as introduced, Wilk. School districts: Los Angeles Unified School District: inspector general.

Existing law, until January 1, 2025, authorizes the Los Angeles Unified School District's Inspector General of the Office of the Inspector General to conduct audits and investigations, as specified, including administering oaths or affirmations. Existing law makes it a misdemeanor, punishable as specified, for a person, after the administration of an oath or affirmation, to state or affirm as true any material matter that he or she knows to be false. Existing law also requires the inspector general to submit annual interim reports by July 1 of each year, and a final cumulative report by December 1, 2024, that includes specified information.

This bill would prohibit the inspector general from auditing or investigating a charter school or an entity that operates charter schools for the purpose of evaluating a charter school for consideration of revocation, renewal, or ongoing oversight, unless the audit or investigation is authorized by the governing board of the Los Angeles Unified School District and meets each of several conditions, as provided.

The bill would, except as provided, make any disclosure of information by the inspector general or that office that was acquired pursuant to a subpoena of the private books, documents, or papers of the person subpoenaed punishable as a misdemeanor. By creating a new crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 35401.5 is added to the Education Code,
2 to read:
3 35401.5. (a) Notwithstanding Section 35401, the inspector
4 general shall only audit or investigate a charter school or an entity
5 that operates charter schools for the purpose of evaluating a charter
6 school for consideration of revocation, renewal, or ongoing
7 oversight if the audit or investigation meets each of the following
8 conditions:
9 (1) The audit or investigation is approved by the governing
10 board of the Los Angeles Unified School District in accordance
11 with an approved scope and analysis that, at a minimum, includes
12 each of the following:
13 (A) Identification of the charter school or entity that operates
14 charter schools that is subject to the audit or investigation.
15 (B) A description of the issues, including the specific allegations
16 or concerns leading to the request and specific questions to which
17 the audit or investigation is expected to respond.
18 (C) The proposed scope of the work to be completed.
19 (D) The estimated timeline, start date, and cost. If an audit or
20 investigation will exceed 90 days, the inspector general shall justify
21 the need for the extended time which must be approved by the
22 governing board of the Los Angeles Unified School District. The
23 inspector general shall not exceed the approved timeline without
24 subsequent approval from the governing board of the Los Angeles
25 Unified School District.

1 (2) Any audit or investigation for which the governing board
2 of the Los Angeles Unified School District may consider action
3 related to a charter school shall be conducted in accordance with
4 Generally Accepted Government Auditing Standards published
5 by the United States Government Accountability Office and the
6 professional standards published by the American Institute of
7 Certified Public Accountants. The report shall be made public
8 before any deliberations on action related to the findings, and the
9 charter school shall be given a reasonable opportunity to respond
10 to any findings before publication of the report.

11 (3) Neither the governing board of the Los Angeles Unified
12 School District nor the Los Angeles Unified School District shall
13 take any action based on any evidence or findings on draft reports
14 or any reports or evidence that has not been made public before
15 the action. Any proposed action to consider revocation,
16 nonrenewal, or corrective action against a charter school as a result
17 of an audit or investigation by the inspector general shall comply
18 with Section 47607 and its implementing regulations and provide
19 the charter school a reasonable opportunity to cure any violation
20 and to address any finding.

21 (4) If, in the course of a financial or performance audit of a
22 charter school, the inspector general determines that there is
23 reasonable cause to believe that an employee of a charter school
24 has engaged in any illegal activity, the inspector general shall
25 report the nature and details of the activity on a timely basis to the
26 local district attorney or the Attorney General.

27 (b) The inspector general does not have any enforcement power.

28 (c) This section does not limit any authority conferred upon the
29 Attorney General or any other department or agency of government
30 to investigate any matter.

31 (d) Except as authorized in this section, or if called upon to
32 testify in any court or proceeding at law, any disclosure of
33 information by the inspector general or that office that was acquired
34 pursuant to a subpoena of the private books, documents, or papers
35 of the person subpoenaed, is punishable as a misdemeanor.

36 (e) This section shall apply to any contractors commissioned
37 by the inspector general to perform audits or investigations of
38 charter schools or entities that operate charter schools.

39 SEC. 2. No reimbursement is required by this act pursuant to
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school
2 district will be incurred because this act creates a new crime or
3 infraction, eliminates a crime or infraction, or changes the penalty
4 for a crime or infraction, within the meaning of Section 17556 of
5 the Government Code, or changes the definition of a crime within
6 the meaning of Section 6 of Article XIII B of the California
7 Constitution.

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